

PRESS RELEASE

**Preliminary statistical balance sheet of the MNB
November 2005**

In November 2005, the monetary base rose by HUF 86.9 billion, from HUF 2,162.3 billion in the preceding month to HUF 2,249.2 billion. Of the components of the monetary base, the monthly average stock of currency in circulation increased by HUF 45.4 billion to HUF 1,677.9 billion, the monthly average of other MFIs' current account balances by HUF 9.4 billion to HUF 522.1 billion and the monthly average stock of other MFIs' overnight deposits by HUF 32.1 billion to HUF 49.3 billion.

Chart 1 Components of the monetary base

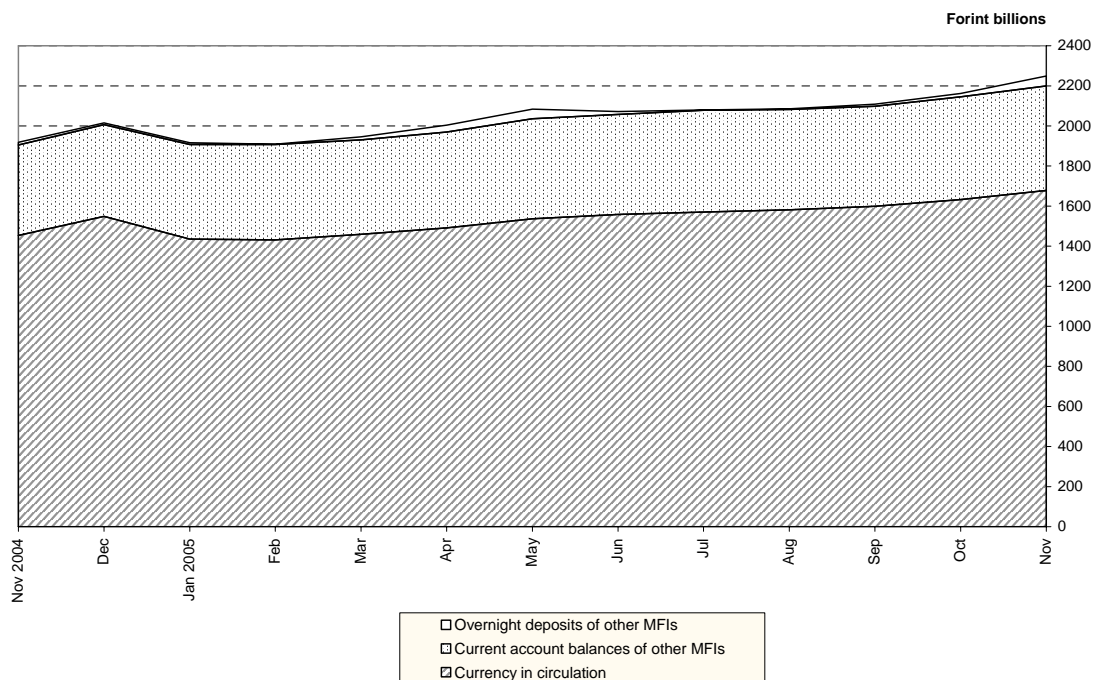
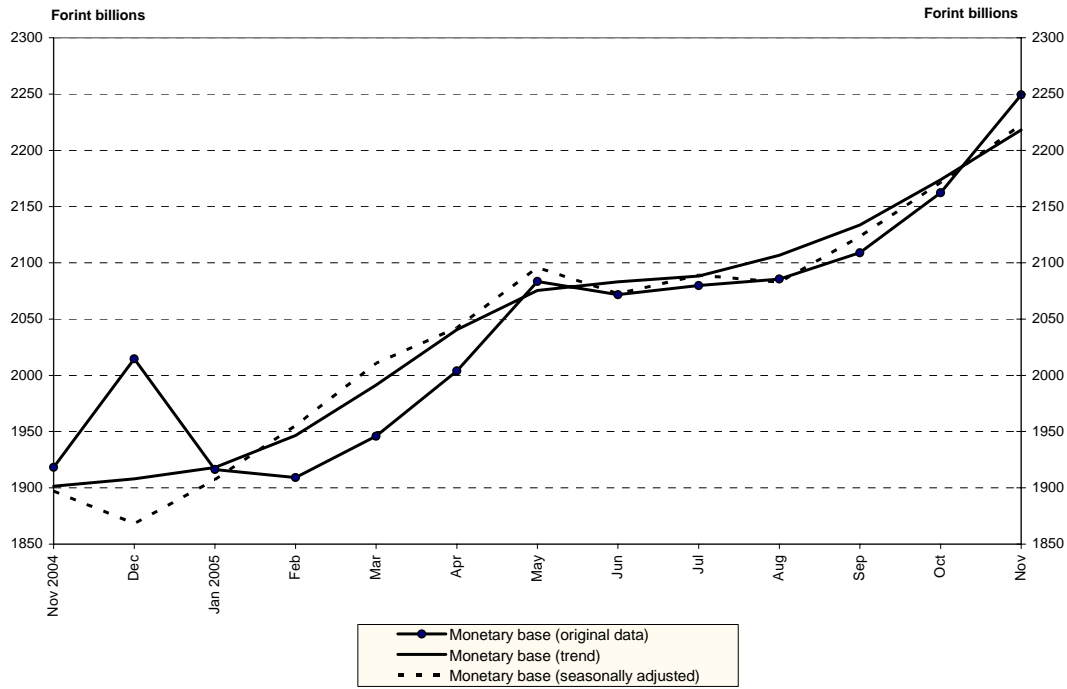
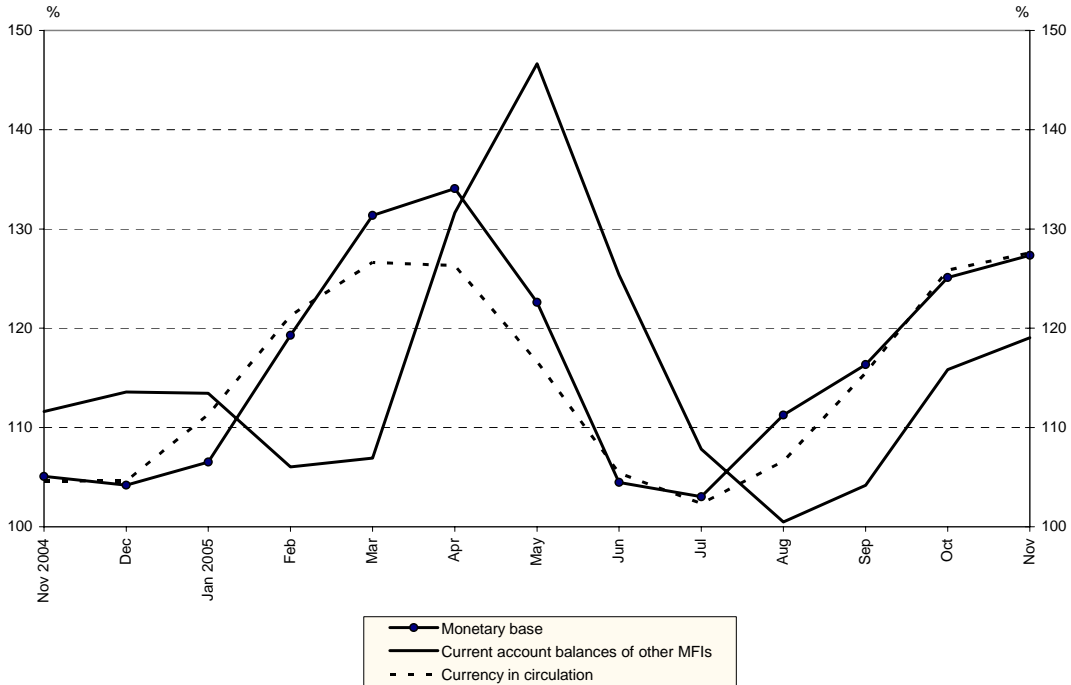


Chart 2 Changes in the monetary base



The annualised month-on-month growth index of the monetary base¹ stood at 127.3% in the month under review, up 2.2 percentage points on October.

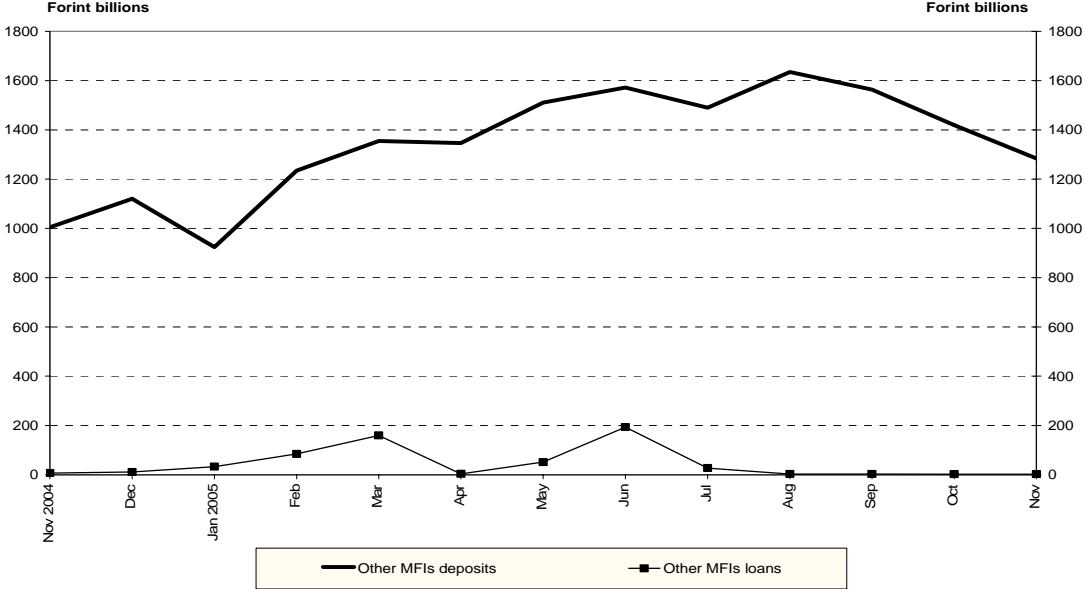
Chart 3 Annualised growth indices of the monetary base and its components



¹ See the note at the end of this press release.

In November, deposits of other MFIs with the MNB fell by HUF 135.4 billion to HUF 1,283.8 billion and the stock of loans granted by the MNB to other MFIs edged down by HUF 0.1 billion to HUF 2.3 billion.

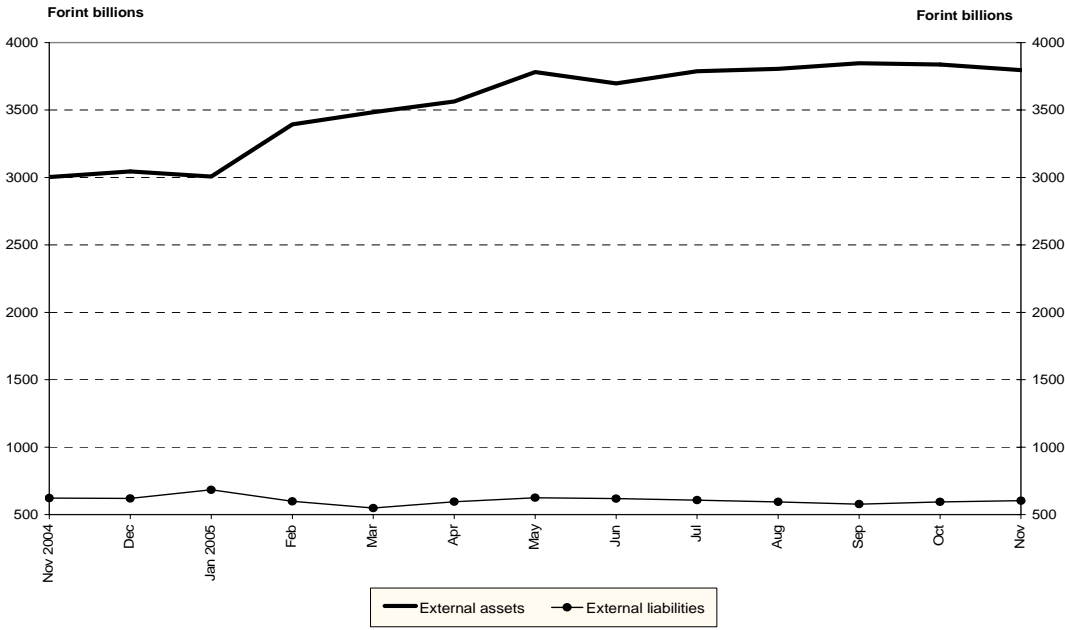
Chart 4 Loans and deposits of other monetary financial institutions



The stock of loans outstanding to the central government rose by HUF 1.5 billion to HUF 267.0 billion and deposits of the sub-sector by HUF 36.2 billion to HUF 550.7 billion.

Net external assets of the MNB were HUF 50.3 billion lower than in October. Its assets vis-à-vis non-residents fell by HUF 42.0 billion to HUF 3,795.1 billion and its liabilities rose by HUF 8.4 billion to HUF 602.8 billion.

Chart 5 Assets and liabilities of the MNB vis-à-vis non-residents



Methodological notes to the press release

Ensuring comparability of data over periods requires eliminating seasonal variations and distortions from original data. Consequently, the time series for the monetary base (M0) is seasonally adjusted. Trend data are obtained from the seasonally adjusted data by eliminating outliers relating to deterministic effects and irregular components identified in the seasonal adjustment process. The growth indices in this press release are derived from trend data by dividing the base period data by data for the previous period, and by raising the quotient to the 12th power. The month-on-month growth rates, calculated using this method, better reflect developments in the most recent periods than year-on-year growth indices. Chart 3 plots the annualised month-on-month growth indices of the monetary base and its components. The Bank does not publish a separate index for overnight deposits, as they fluctuate considerably, frequently moving to zero. However, changes in the stock of overnight deposits are also taken account of in calculating the growth index of M0.

Monthly changes in stock data are calculated from data before rounding. Consequently, such differences between monthly data, derived using this method, may not add to those calculated from rounded data.

The data used for the purposes of this press release are available on the MNB's website at http://english.mnb.hu/Resource.aspx?ResourceID=mnbfile&resourcename=0708_monstatpubl_enxls.

MAGYAR NEMZETI BANK
STATISTICS DEPARTMENT